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# 356

Eileen Trzcinski • Elke Holst

## Why Men Might 'Have It All' While Women Still Have to Choose between Career and Family in Germany

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# **Why Men Might 'Have It All' While Women Still Have to Choose between Career and Family in Germany**

by

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## **Abstract**

This study used data from the German Socio-economic Panel to examine gender differences in the extent to which self-reported subjective well-being was associated with occupying a high-level managerial position in the labour market, compared with employment in non-leadership, non-high-level managerial positions, unemployment, and non-labour market participation. Our results indicated that a clear hierarchy exists for men in term of how status within the labour market was associated with subjective life satisfaction. Unemployed men were the least satisfied, followed by men who were not in the labour market, while men in leadership positions reported the highest level of subjective life satisfaction. For women, no statistically significant differences were observed among women in high-level managerial positions, women who worked in non-high-level positions, and women who specialized in household production, with no market work. Only women who were unemployed reported lower levels of life satisfaction, compared with women in other labour-market statuses. Our results lend evidence to the contention that men can “have it all”, but women must still choose between career and family in Germany. We argue that interventions need to address how the non-pecuniary rewards associated with high-level managerial and leadership positions can be increased for women. Such policies would also likely serve to mitigate the “pipeline” problem concerning the number of women who are available to move into high positions in the private sector.

# 1 Introduction<sup>1</sup>

The percent of women in management and subjective well-being are two indicators used by the OECD as a basis for evaluating country progress (OECD, 2009b). The percent of women in management and leadership positions, compared with men, constitutes a major social indicator of the extent to which women have achieved parity with men in the labour market. As noted by the OECD (2009a) in its report *Gender and Sustainable Development*, greater gender equity in management and leadership positions can improve the economic performance of companies and organizations through a number of different processes: women managers can “bring a wider range of perspectives to bear in corporate decision-making, contribute team-building and communication skills, and help organisations to adapt to changing circumstances (OECD, 2009a: 31).” Increasing the number of women within management also represents a major goal of European Commission gender-parity policy because of the anticipated benefits to women, society and the economy as a whole (Commission of the European Communities 2009a & b).

Economic and sociological theories (Berger et al., 1998; Berger, Ridgeway and Morris Zelditch, 2002, and Phelps, 1972) suggest that increasing the percentage of women in positions of leadership and management will have positive economic and social consequences at the macro level. Empirical research also lends support to these theories (Lucas, 2003; Seguino, 2007, McKinsey & Company, 2007, London Business School, 2007 cited in OECD, 2009, Joy (2008).

Despite the wide-spread advantages of greater gender parity in this dimension of the labour market, women remain sharply underrepresented in positions of management and leadership within the European Community and within other OECD countries (Commission of the European Communities 2009a & b). Within Germany, women hold only 0.9 % of the

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<sup>1</sup> This paper is a revised version of ‘Gender Differences in Subjective Well-Being in and out of Management Positions’, SOEPpapers 299 (2010). Berlin: DIW Berlin .

leadership positions in the 100 largest German companies and 2.6 % in the 200 largest companies (Holst and Wiemer, 2010). The underrepresentation of women in such positions strongly suggests that a combination of supply and demand factors exist that act as barriers to the achievement of parity between women and men. Equally troubling is the finding in the 2009 OECD report concerning the stagnant and even decreasing number of women in the management pipeline, referred to as the “pipeline problem” (OECD, 2009).

## **2 Research Question and Hypotheses**

The primary research question addressed in this study is whether self-reported subjective well-being for individuals working in high level management or leadership positions exceeds the levels reported by individuals who are working in non-management positions, who are not in the labour market, or who are unemployed and if gender differences exist. To our knowledge, our study is the first to simultaneously examine the relationship between subjective life satisfaction and four different categories of work status, while also controlling for a wide range of personality, attitude and value, and demographic factors. We hypothesize that, in a country such as Germany which has been classified as a corporatist welfare state (Esping-Andersen, 1990), we will find greater differentials among the different statuses for men than we observe for women.

The overall subjective well-being reported by high level managers, compared with individuals occupying other labour market statuses might well be a crucial factor influencing how individuals assess the projected short- and long-term benefits and costs associated with different choices. That is, individuals can assess whether the subjective utility gains realized by other individuals in high-level managerial positions are substantial enough to justify the necessary investments and opportunity costs associated with pursuing a career path that might result in a high-level managerial or leadership positions. They would then compare these expected levels of utility with levels of subjective well-being of individuals occupying

different labour market states. In our model, these different states include (1) market work in non-high level positions; (2) non-employment, which continues to represent the labour market status of a significant percentage of German women; and (3) unemployment. We include unemployment as the fourth state because we believe it is important to make a distinction between non-participation in the labour market and unemployment, which has well-established negative consequences for subjective well-being (Ström, 2003; Clark, Georgellis, and Sanfey, 2001; Winkelmann, and Winkelmann, 1998; Goldsmith, Veum and Darity, Jr., 1996; Clark and Oswald, 1994).

We hypothesize that in Germany, men who occupy high managerial and / or leadership positions will self-report higher levels of subjective well-being, compared with men who occupy other labour market positions, who are not in the labour market, or who are unemployed. Conversely we also hypothesize that the differences in reported subjective well-being between women in managerial and non-managerial positions and women who are not in the labour market will be relatively small and / or insignificant, compared to the differences found among men. Our study is based on the premise that women will base their assessments on the levels of subjective well being realized by other women and conversely that men will use other men as their reference points.

### **3 Model and Rationale for Variable Selection**

In our model we hypothesize that subjective well-being will be a function of labour market status. We also control for a set of variables that have been shown in previous research to be associated with subjective well-being: , personality traits (as measured by the Big 5 personality traits), locus of control, four values and attitudes variables, age, number of children, years of education, household income, marital status, and whether the individual is a foreigner or lives in East Germany.

### **3.1 Labour Market Status and its Potential Connection with Subjective Well-being**

Esping-Andersen (1990) developed a typology of welfare states that includes three major categories: liberal, corporatist, and social democratic. Within this typology, Germany is a prime example of the corporatist welfare state. Regimes of this type have two primary characteristics. The first centres on the preservation of status differentials, which makes the redistributive impact of state policies negligible. The second centres on the role of the church, and a concomitant emphasis on the preservation of traditional family forms. This emphasis results in social insurance that typically excludes women who are not participating in the labour market. It also results in the principle of “subsidiarity,” which emphasizes that “the state will only interfere when the family’s capacity to service its members is exhausted” (Esping-Andersen 1990: 27).

The marriage and child-rearing patterns of women in western Germany historically reflected the outcome of policies that interacted to provide strong incentives for women to curtail their employment during the early years of a child’s life. Although the more dramatic forms of discrimination against women no longer exist, cultural norms still strongly promote a gendered division of labour (Tesch-Romer, Motel-Lingebiel, and Tomasik, 2008). Thus opportunity costs may be greater for managerial women in terms of whether such a commitment entails delaying or foregoing child bearing and/or marriage. Because women in Germany continue to bear the primary responsibilities for household and childrearing work, the consequences for total workload may also vary dramatically by gender with potential negative health outcomes for women (Harenstam and Bejerot, 2001; De Jonge, Bosma, Peter, & Siegrist, 2000, Gjerdingen et al., 2000). Non-pecuniary social and psychological costs may also differ for women and men occupying different labour market statuses, if society devalues women and men who pursue non-traditional career paths. Specifically, men who specialize in home production may be subject to social disapproval, while women, particularly women who are working mothers, may be criticized if they occupy high-level positions in the labour



market that are seen as interfering with their responsibilities as mothers (Slotkin 2008, Holst 2000).

Research linking work status and subjective life satisfaction has focused primarily on the negative impact of unemployment; on the consequences for women of labour market participation; and on the consequences, for both genders, of the conditions of work. The results for unemployment are among the most robust in the subjective life-satisfaction literature (Lucas et al, 2004). Labour market participation for women has generally been found to be positively associated with life satisfaction, but the specific relationship depends on the number of hours worked in the home and market, relative contributions of men and women to household finances and household work, the conditions of work, and the fit between desired and actual hours of work (Campione, 2008, Golden and Wiens-Tuers, 2006, Harenstam and Bejerot, 2001, Gjerdingen, 2000).

## **3.2 Personality**

### **3.2.1 Big Five Personality Traits**

The Big Five personality traits (also referred to as the “Five Factor Model” (FFM) (Costa & McCrae, 1992) are elements of an approach that organizes personality into five different dimensions, which theoretically, are intended to capture the concept of personality as extensively and exhaustively as possible. Its five central dimensions are neuroticism (lack of emotional stability), extraversion, openness to experience, agreeableness and conscientiousness.

Research based on the Big Five suggests that these personality traits tend to be relatively stable for adults beyond young adulthood, that is, beyond 30 years of age (Brandstätter, 1999; Srivastava et al., 2003). An extensive body of literature has shown that the Big Five and other personality constructs, such as locus of control, are reasonable predictors of subjective life satisfaction (Schimmack, Schupp, Wagner, 2008; Steel, Schmidt,

and Shultz, 2008; Diener and Lucas, 1999; see Diener, Suh, Lucas, & Smith, 1999 for a comprehensive review of the literature). In research linking the Big Five personality traits with subjective life satisfaction, consistent patterns of association have been observed for neuroticism (negative) and extraversion (positive). The research findings for agreeableness, conscientiousness, and openness to experience are less robust than for the other two traits, but where statistically significant associations have been observed, these associations have been positive.

### 3.2.2 Locus of Control and Risk-Taking Behaviour.

Peterson (1999) has argued that personal control is related to increased levels of subjective well-being, as long as the level of perceived control does not result in dangerous risk-taking behaviour. Empirical evidence also supports a positive link between perceived levels of internal control and subjective well-being (Noor, 2002; Peterson, 1999). A priori, the relationship of risk-taking behaviour with subjective well-being is ambiguous. To a certain degree, if an individual engages in activities for which the potential outcomes are positive, a greater propensity to take risks can lead to better outcomes. As noted by Peterson (1999), such behaviour can be dangerous if the individual overestimates the probability of positive outcomes and underestimates the likelihood that dangerous activities will lead to detrimental outcomes. We include both variables in our model because individuals who attain high-level managerial positions may have different attitudes towards risk and different assessments of the extent to which their own personal efforts are likely to result in their attaining that position. The inclusion of these variables thus controls for associations with subjective well-being that might, otherwise, be attributed to the status of holding such a position.

## 3.3 Attitudes and Values

We include four measures of attitudes and values: two measuring **attitudes** towards success and materialism and two measuring **values** concerning the importance of family and

social engagement. Research has consistently shown that individuals who place greater emphasis on achieving financial success and on materialism also exhibit lower levels of subjective well-being. If individuals do indeed succeed in achieving financial or material success, these negative associations are, however, moderated (Nickerson, Schwarz and Diener, 2007 and Nickerson, Schwarz, Diener, and Kahneman, D., 2003). Theoretical arguments explaining these findings tend to centre on the externally motivated factors that accompany a desire for financial success and materialism, coupled with a higher orientation towards competitiveness, as opposed to the importance of relationships. In our analysis, we include this set of attitude variables in order to control for any potential negative effects for attitudes towards financial success and materialism that would otherwise potentially be captured by whether the individual was in a managerial position. That is, if high-level managers tend to score higher on their attitudes towards financial success and materialism, the exclusion of these variables could lead to a lowering of positive effects associated with occupying a high-level managerial position.

In contrast to the negative associations of financial aspirations and materialism with subjective well-being, the existence of close relationships, orientations towards family and social engagement have been shown to have strong positive associations with well-being (Lucas, et al., 2003; Thoits and Hewitt, 2001; Cantor and Sanderson, 1999; Myers, 1999; Harlow, and Cantor, 1996). Because women who are in non-leadership positions and who work exclusively in the home may be more oriented to family and social engagement than other women, we include these two variables in order to control for any potential positive associations between these two categories of labour market participation and subjective well-being. Heady (2008) also found that each of these four measures was significantly related to subjective well-being in the same directions noted here.

### **3.4 Other Control Variables**

Finally we include a set of variables that have consistently been shown to have modest, statistically significant correlations with subjective well-being. These variables include age, education, number of children, marital status, whether the individual lived in East or West Germany, and whether the individual was not a German citizen. We hypothesize that subjective well-being will be higher for younger persons, for those with higher levels of education, and for those respondents who are married, who have children, who live in West Germany, and who are German citizens. Net household income is included because of its modest positive association with subjective well-being and because we want to isolate non-pecuniary effects of holding a managerial / leadership position.

## **4 Database and Method**

The results of this study are based on the data of the Socio-Economic Panel (SOEP), 2007 release (1984-2006) (Wagner, Frick, & Schupp, 2007). The SOEP is a representative, longitudinal survey of more than 20,000 persons in about 12,000 private households in Germany. It has been carried out every year since 1984 with the same persons and families in the Federal Republic of Germany. The sample has been amended several times. As the only long-term, longitudinal representative set of individual and household data in Germany, the SOEP provides a platform for examining socio-demographic and economic features as well as providing information concerning personality traits and social indicators for a sufficiently high number of cases.

### **4.1 Sample Selection**

On the basis of the SOEP data, analyses have been presented several times on the structure and remuneration of persons in specialist and leadership positions. (See, for example, For example Busch & Holst (2009); Holst (2009); Holst (2006); Holst et al. (2006). In this study we pooled the data from 2001 to 2006. This analysis used 76,839 pooled cases

based on 12,806 persons. The subjects in the study were all individuals who were between 28 and 59 years of age in the years 2001 – 2006. The lower limit of age was chosen because of the relatively low number of individuals who have achieved high-level managerial or leadership positions prior to age 28; the higher limit because of retirement.

## **5 Model Estimation**

In order to account for the pooled cross-sectional structure of our data, we estimated a Hierarchical Linear Model with HLM Version 6. Level 1 variables in the model included the Big 5 personality traits, locus of control, risk taking behaviour, and the four attitude variables. All other variables were entered at level 2. Descriptive statistics are presented in Table 2. Final fixed effects results estimated with robust errors are presented in Table 3.

## **6 Variable Definitions**

### **6.1 Subjective life satisfaction.**

In each interviewing year of the SOEP, all adult household members are asked to rank their overall life satisfaction, using an 11-point scale. The level of life satisfaction is based on responses to the question: “Finally, we would like to ask about your overall level of life satisfaction. Please answer again according to the following scale, “0” means completely and totally dissatisfied; “10” means completely and totally satisfied. How satisfied are you at the present time, all things considered, with your life?” We used this measure for subjective well-being for each respondent in our sample for every year from 2001 – 2006.

### **6.2 Labour Market Status**

The large number of ways to define leaders makes it difficult to compare the results of various studies, particularly over the course of time, because “there are almost as many different definitions of leadership as there are persons who have attempted to define the concept (Bernard M. Bass, 1990: 11)”. For this study, we defined leaders and high-level

managers on the basis of the respondents' own comments on their position in their occupation. It encompasses persons (starting at age 28 in 2001) who stated in the SOEP that they worked as employees<sup>i</sup> in the private sector<sup>ii</sup> in: functions with extensive managerial duties (e.g. managing director, manager, head of a large firm or concern) and other managerial functions or highly qualified duties (e.g. scientist, attorney, head of department).

The term "leaders" therefore, for our purposes, encompasses both persons in leadership positions as well as highly-qualified specialists. Individuals who were unemployed at the time of the survey were coded as "Unemployed". Those who were neither in high level managerial / leadership positions in the private sector nor unemployed but who were working in the market were assigned the category "in labour market, not in high level managerial position". Finally, individuals who occupied none of these three states were assigned the value "Not in Labour Market".

## **6.3 Personality Traits**

### **6.3.1 The Big Five Personality Traits.**

In 2005, in the style of the Big Five approach, the short version of the Big Five Inventory (BFI-S) was used for the first time in the main SOEP survey. The development of this brief scale (three questions were asked with replies on a scale of 1 to 7 for each personality dimension) was preceded by a pre-test in the year 2004. The test revealed satisfactory results regarding validity and reliability (Gerlitz and Schupp, 2005). The surveying of personality dimensions in the SOEP in 2005 was based on the self-assessment of respondents making choices among 15 phrases used in colloquial language.<sup>iii</sup> A factor analysis confirmed that it was possible to extract from these 15 statements the five personality dimensions identified in the Big Five Inventory literature discussed above for our sample.<sup>iv</sup> The five factors with the estimated Eigenvalues, explained variance and the factor component loadings were:

1. conscientiousness (Eigenvalue, 2.08; % of variance explained, 13.9): does a thorough job, .832; tends to be lazy, -.654; does things effectively and efficiently, .741;
2. extraversion (Eigenvalue, 1.95; % of variance explained, 12.9): is communicative, talkative .702; is outgoing, sociable .690; is reserved, -.806;
3. agreeableness (Eigenvalue, 1.75; % of variance explained, 11.6): is sometimes somewhat rude to others, -.731; has a forgiving nature, .611; is considerate and kind to others, .721;
4. openness to experience (Eigenvalue, 1.70; % of variance explained, 11.3): is original, comes up with new ideas, .689; values artistic experiences, .659; has an active imagination, .746; and
5. neuroticism (Eigenvalue, 1.69, % of variance explained, 11.3): worries a lot, .727; gets nervous easily, .727; is relaxed, handles stress well, -.666.

#### 6.3.2 Locus of Control

In the SOEP, locus of control is surveyed with 10 items, which are based on work by Julian Rotter (1966). In 2005, all respondents were asked “To what degree do you personally agree with the following statements?”, with responses based on a seven-point scale ranging from 1=disagree completely to 7= agree completely. Based on factor analyses, responses from the following nine statements were used to construct the measure of locus of control, with the associated rotated factor loadings in parentheses:

1. How my life goes depends on me (.529)
2. Compared to other people, I have not achieved what I deserve (-.621)
3. What a person achieves in life is above all a question of fate or luck (-.591)
4. I frequently have the experience that other people have a controlling influence over my life (-.652)
5. One has to work hard in order to succeed (.673)

6. If I run up against difficulties in life, I often doubt my own abilities (-.632)
7. The opportunities that I have in life are determined by the social conditions (-.480)
8. Inborn abilities are more important than any efforts one can make (-.689)
9. I have little control over the things that happen in my life (-.694).

#### 6.3.3 Willingness to Take Risks in One's Profession.

Willingness to take risks was added to the SOEP in 2004 and is also measured by respondent's self-assessment of a number of different degrees of risk taking. Our study focused on willingness to take risks in the professional sphere. The question in the SOEP is "People can behave differently in different situations. How would you rate your willingness to take risks in the following areas? in your occupation?" The scale ranged from 0: risk averse to 10: fully prepared to take risks.

#### 6.3.4. Values and Attitudes

The four variables that measured values were based on a set of questions that asked respondents to indicate on a 4-point scale the level of importance of nine items, ranging from very important to not at all important. Examples of the items included the importance of being successful in one's career, owning a house, having a happy marriage /relationship, etc. A factor analysis, using varimax rotation, identified four factors (73.3% variance explained). These included the importance attached to materialism (Eigenvalue = 1.22; factor loadings = .590, .883), the importance attached to professional success (Eigenvalue = 1.63; factor loadings = .790, .844), the importance attached to family and home life (Eigenvalue = 1.66; factor loadings = .722, .711, .742), and the importance placed on social and political engagement (Eigenvalue = 1.04, factor loading = .857). Higher values indicate a greater degree of importance for each variable.



#### **6.4 Demographic Variables.**

Finally, we included demographic variables for each year in the model: age, marital status (0=married, 1=single), number of children aged 16 and under, whether the individual was living in East Germany (0=no, 1=yes) or was a foreigner (0=no, 1=yes). We also included years of education and the natural log of net household income.

### **7 Results**

The results presented in Table 3 indicate that a clear hierarchy exists for men in terms of how status within the labour market was associated with subjective life satisfaction. Unemployed men were the least satisfied, followed by men who were not in the labour market, while men in leadership positions reported the highest level of subjective life satisfaction. The extent of the overall difference between the highest and lowest status was large, 0.793 points ( $\beta = .103$ ,  $p < .001$  for men in management positions compared with  $\beta = -0.690$ ,  $p < .001$  for unemployed men). The difference between men who were in leadership positions compared with those who were not in the market ( $\beta = -0.216$ ,  $p < .001$ ) was 0.319. The difference between those in leadership and high-level, private-sector positions, compared with those in the market, but not in higher level positions, was relatively small, but statistically significant, with men in leadership positions reporting on average a difference of 0.103.

For women, however, a very different picture emerged. No statistically significant differences were observed among women in high-level managerial positions, women who worked in non-high level positions, and women who specialized in household production, with no employment outside the home. Only women who were unemployed reported lower levels of life satisfaction, compared with women in other labour market states. Even in that comparison however, the extent of the average difference for unemployed women, compared with women in high level positions was smaller than the difference observed for men: -0.526,

compared with -0.793. The results observed for both men and women strongly support each of our three hypotheses concerning how different labour market states were expected to be associated with levels of life satisfaction.

Differences between men and women were far less dramatic for other variables in the model. In most cases, the observed relationships re-enforced the prior research discussed above. Openness to experience, agreeableness, and higher levels of locus of control were associated with higher levels of subjective well-being, while neuroticism was associated with lower levels. Men, but not women, who scored higher on conscientiousness and who had stronger orientations towards materialism, also reported higher levels of subjective well-being. No statistically significant results were observed for men or women for the personality trait extraversion or for attitudes towards risk taking in one's career. Consistent with past research, those individuals who reported they were more oriented towards professional success also reported lower levels of subjective well-being, while family-oriented individuals reported higher levels. These results were observed for both men and women.

Subjective well-being was negatively associated with age for our sample; with being a foreigner and with living in East Germany. For both men and women, positive associations were observed between subjective well-being and years of education, household income, and being married. Number of children was statistically significant at a marginal level for men, with increases in the number of children associated with increases in subjective well-being. No statistically significant associations were observed for women.

In order to understand more thoroughly some of the underlying dynamics behind our findings and their implications, we also examined selected differences between men and women in leadership positions. Not only do women managers gain no advantage in terms of subjective life satisfaction compared with women who are homemakers or who have non-managerial jobs, but we also found strong evidence that men are not forced to make the kind of trade-offs demanded by women in managerial positions. For men, the correlation between

family orientation and orientation towards professional success was positive and significant ( $r = .142, p < .001$ ), for women, this correlation was not statistically significant ( $r = .024, p < .05$ ). Although we found that men and women in managerial positions were similar to each other in terms of higher levels of locus of control and higher orientations towards success, men in high level management positions had far higher orientations towards family and were far more likely to be married than were their female counterparts; evidence to support the contention that men can “have it all”, but women must still choose. As noted above, both of these variables had positive associations with subjective life satisfaction. We present this evidence in Table 4.

## **8 Discussion and Potential Policy Implications**

As noted above, the policy agendas of both OECD and the European Union give priority to increasing the percentage of women in management positions. The proposed strategies include measures to increase the availability of such positions and methods for changing the conditions at the workplace that impede equal participation by women. Specifically, the OECD advocates that three interventions need to be implemented:

- establish and monitor targets for women managers
- set up network and development programs
- ensure family-friendly practices (OECD, 2009:31).

Based on the work presented here, we would argue that interventions also need to address how the non-pecuniary rewards associated with high-level managerial and leadership positions can be increased for women. In countries, such as Germany, that are still marked by strong cultural norms concerning appropriate roles for women and men, it is likely that increasing the availability of such jobs through strategies such as voluntary quotas will be a necessary but not sufficient condition. This goal will require a broad societal effort and transformation of basic social norms regarding expectations for women and men. For women

to be willing to undertake the necessary costs required attaining such positions, they will need evidence that the pursuit of such a goal, if successful, will lead to the likelihood that subjective well-being will also be increased compared to other possible alternatives.

Our findings thus provide some insight into why a “pipeline” problem exists. Because our results indicate that younger women and women who are not yet in high-level labour market positions observe that female high-level managers and leaders do not experience greater levels of subjective well-being compared with other women, it is a rationale decision in many cases to forego the effort to prepare for such positions and to demand that such positions be available to them, compared to their male counterparts. First, the expected probability of occupying a managerial/leadership is lower for women than the expected probability for men. Second, even if they were to win or earn such a position in the managerial/leadership “lottery”, their expected non-pecuniary rewards would not exceed the non-pecuniary rewards enjoyed by women who make more traditional choices.

For men, such evidence exists and there is no “pipeline problem” of the sort that has been identified by the OECD. Thus not only can women expect no additional rewards in terms of subjective well being should they obtain a managerial position, but they are forced to choose between an orientation towards professional success and an orientation towards family. Women need policy and practice and social norms to change so that they have the same chances as men to fulfil multiple sets of values and orientations. Our results also indicate that men, as well as women, confront disadvantages and constrained choices under the current set of economic and social norms. Our finding concerning unemployment, which fits within the large body of research that has documented negative impacts of that state, indicates that men are more negatively affected by unemployment than are women, and that men also face the prospect of lower levels of subjective well-being when they specialize for a period of time in non-market work. While women currently seem to bear no penalty in terms of subjective well-being if they specialize in household production, the evidence suggests that

men who might want to spend some more intense periods of time in childrearing or household production would pay a price in subjective well-being were they to make this choice, for example, by choosing to take a year of parental leave. Hence providing both men and women with a more complete set of choices might accomplish this goal. While the optimal solution in the long run might indeed be the perfect state in which men and women can freely choose among a range of labour market states over their life course, in the short term policies that reduce the penalties for men who make non-traditional choices could increase the percentage of men sharing childrearing responsibilities more equitably with women. Such policies would also likely serve to mitigate the “pipeline” problem concerning the number of women who are available to move into high positions in the private sector.

Table 1. Work Status, by Year and Gender – in percent					
Gender	Year	Not in Market	High-level Management/ Leadership position	Unemployed	Market Work Non-management/ Non-leadership
Males	2001	6.5	16.8	8.3	68.4
	2002	6.8	18.3	8.1	66.8
	2003	6.0	17.2	10.3	66.5
	2004	6.1	16.5	9.9	67.5
	2005	5.8	16.0	10.2	67.9
	2006	7.7	16.5	8.4	67.4
	Average	6.5	16.9	9.2	67.4
Females	2001	23.7	7.3	7.5	61.6
	2002	23.3	8.0	8.1	60.5
	2003	22.2	7.3	9.2	61.4
	2004	21.9	7.1	9.5	61.4
	2005	21.8	6.9	9.4	61.9
	2006	21.7	7.9	9.2	61.2
	Average	22.4	7.4	8.8	61.3

Source: SOEP, own calculations

Table 2. Descriptive Statistics, Men and Women aged 28 – 59, 2001-2006

	Males		Females	
	Mean	Std. Deviation	Mean	Std. Deviation
Subjective Life Satisfaction	6.87	1.78	6.94	1.79
Openness to Experience	13.29	3.44	13.79	3.58
Conscientiousness	17.88	2.69	18.16	2.54
Extraversion	14.20	3.30	14.87	3.37
Neuroticism	11.19	3.52	12.51	3.63
Agreeableness	15.77	2.96	16.77	2.79
Risk taking in career	4.32	2.57	3.42	2.50
Level of materialism	5.50	1.07	5.42	1.05
Oriented towards professional success	6.02	1.12	5.71	1.22
Importance placed on family and home	9.57	1.82	9.75	1.69
Level of social engagement	2.88	0.74	2.95	0.70
Locus of control	39.30	7.06	38.32	6.89
Age	43.45	8.65	43.21	8.58
Number of children in household aged 16 and under	0.75	1.00	0.77	1.00
Foreigner	9%		9%	
East Germany	24%		24%	
Years of education	12.56	2.80	12.29	2.66
Ln of household income	8.00	0.56	7.98	0.56
Married	70%		72%	
N (pooled)	37,167		39,672	
Number of persons	6195		6612	

Source: SOPE, 2001 -2006, own calculations.

Table 3. Two-Level Hierarchical Linear Model of Life Satisfaction Final Model with Robust Standard Errors						
	Female			Male		
	Coefficient	Standard Error		Coefficient	Standard Error	
Work Status (reference group: market work, non-management/non-leadership)						
<i>No market work</i>	-0.013	0.029		-0.216	0.048	***
<i>Management/leadership</i>	0.003	0.040		0.103	0.029	***
<i>Unemployed</i>	-0.526	0.045	***	-0.690	0.047	***
Level-two variables						
<i>Big 5 Personality traits</i>						
Openness to Experience	0.015	0.005	**	0.018	0.005	***
Conscientiousness	0.005	0.007		0.015	0.007	**
Extraversion	0.003	0.005		0.007	0.005	
Neuroticism	-0.066	0.005	***	-0.075	0.005	***
Agreeableness	0.021	0.006	***	0.022	0.006	***
Risk taking in career	-0.005	0.008		-0.005	0.008	
Level of materialism	0.014	0.016		0.043	0.016	**
Oriented towards professional success	-0.044	0.014	**	-0.050	0.016	**
Importance placed on family and home	0.037	0.011	***	0.042	0.010	***
Level of social and political engagement	-0.067	0.024	**	-0.055	0.023	*
Locus of control	0.052	0.003	***	0.043	0.003	***
Level one variables						
Age	-0.130	0.013	***	-0.140	0.013	***
Age squared	0.001	0.000	***	0.001	0.000	***
Number of children in household aged 16 and under	0.013	0.017		0.030	0.016	<sup>a</sup>
Foreigner	0.003	0.061		-0.017	0.060	
East Germany	-0.436	0.038	***	-0.438	0.037	***
Years of education	0.019	0.006	**	0.019	0.006	**
Ln of household income	0.526	0.023	***	0.517	0.023	***
Married	0.106	0.038	**	0.139	0.038	***

\*\*\*p<.001; \*\*p<.01; \*p<.05; a p<.10

Source: SOEP 2001-2006, own calculations.



Table 4. Selected Differences between Male and Female High-Level Managers				
	Females	Males		
Variable	Mean/ Percentage	Mean/ Percentage	test statistic	<i>p value</i>
Orientation towards professional success	6.29	6.28	t statistic = 0.28	0.78
Locus of control	41.05	40.95	t statistic = 0.29	0.77
Importance placed on family	9.77	9.29	t statistic=4.94	0.00
Number of children	0.82	0.44	t statistic = 7.51	0.00
Married	0.73	0.45	$\chi^2 = 36.641$ d.f.=1	0.00

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## Endnotes

<sup>i</sup> Leaders amongst blue-collar workers (master craftsmen and foremen) were not included in the analysis. An independent analysis of this group is not possible, particularly amongst women, due to the low number of cases.

<sup>ii</sup> Classification took place on the basis of the question "Does the organisation for which you work form part of the civil service?" "Yes" or "No".

<sup>iii</sup> The question in the SOEP is: "Now a completely different subject: our every-day actions are influenced by our basic belief. There is very limited scientific knowledge available on this topic. Below are different qualities that a person can have. You will probably find that some apply to you perfectly and that some do not apply to you at all. With others, you may be somewhere in between. Please answer according to the following scale: "I see myself as someone who..." The respondents were given 15 adjectives or statements to evaluate on a scale of 1: Does not apply to me at all to up to 7: Applies to me perfectly.

<sup>iv</sup> We used standard factor analyses techniques with varimax rotation, standard eigenvalue criteria, total variability explained and visual examination of the screen plots (Craig Mertler and Rachel Vannatta, 2005)